

House File 784 - Introduced

HOUSE FILE 784

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 255)

A BILL FOR

1 An Act providing for loan repayment under the rural Iowa
2 primary care loan repayment program to physicians who are
3 national guard members and practice full-time in service
4 commitment areas.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.86, subsection 6, Code 2019, is
2 amended to read as follows:

3 6. a. Notwithstanding [section 8.33](#), funds appropriated
4 for purposes of [this section](#) which remain unencumbered or
5 unobligated at the close of the fiscal year for which the funds
6 were appropriated shall not revert but shall be available for
7 expenditure for the following fiscal year for purposes of this
8 section.

9 b. Notwithstanding paragraph "a", if a physician meets
10 the requirements for loan repayment under section 261.113,
11 subsection 7, paragraph "b", moneys which remain unencumbered
12 or unobligated at the close of the fiscal year shall be
13 transferred to the rural Iowa primary care trust fund created
14 under section 261.113, subsection 10, in an amount necessary to
15 make payments in accordance with section 261.113, subsection
16 7, paragraph "b".

17 Sec. 2. Section 261.113, subsection 7, Code 2019, is amended
18 to read as follows:

19 7. *Rules for additional loan repayment.* The commission shall
20 adopt rules to provide, in addition to loan repayment provided
21 to eligible students pursuant to [this section](#) ~~and subject to~~
22 ~~the availability of surplus funds,~~ for loan repayment to a
23 physician if either of the following conditions are met:

24 a. Subject to the availability of surplus funds, the
25 physician ~~who~~ received a doctor of medicine or doctor of
26 osteopathic medicine degree from an eligible university as
27 provided in [subsection 2](#), obtained a license to practice
28 medicine and surgery or osteopathic medicine and surgery
29 in this state, completed the physician's residency program
30 requirement with an Iowa-based residency program, and is
31 engaged in the full-time practice of medicine and surgery or
32 osteopathic medicine and surgery as specified in [subsection 3](#),
33 paragraph "d".

34 b. Subject to the availability of funds transferred in
35 accordance with section 261.86, subsection 6, paragraph

1 "b", and deposited in accordance with subparagraph (2), the
 2 physician obtained a license to practice medicine and surgery
 3 or osteopathic medicine and surgery in this state, is engaged
 4 in full-time practice of medicine and surgery or osteopathic
 5 medicine and surgery in a service commitment area for a period
 6 of five consecutive years, and is a member of the Iowa national
 7 guard.

8 (1) Notwithstanding subsection 5, paragraph "a", the amount
 9 of loan repayment a physician who meets the requirements of
 10 this paragraph "b" shall receive shall not exceed thirty
 11 thousand dollars annually for an eligible loan. Payments
 12 under this paragraph "b" may be made for each year of eligible
 13 practice during a period of five consecutive years and shall
 14 not exceed a total of one hundred fifty thousand dollars.

15 (2) Notwithstanding subsection 11, paragraph "c", the
 16 service commitment area shall provide a fifteen thousand
 17 dollar matching contribution for deposit in the rural Iowa
 18 primary care trust fund for each physician in the community
 19 who is participating in the loan repayment program under this
 20 paragraph "b" for the purposes of this paragraph.

21 Sec. 3. Section 261.113, subsection 10, Code 2019, is
 22 amended to read as follows:

23 10. *Trust fund established.* A rural Iowa primary care
 24 trust fund is created in the state treasury as a separate fund
 25 under the control of the commission. The commission shall
 26 remit all repayments made pursuant to [this section](#) to the
 27 rural Iowa primary care trust fund. All moneys deposited or
 28 paid into the trust fund are appropriated and made available
 29 to the commission to be used for meeting the requirements of
 30 this section. However, moneys transferred to the rural Iowa
 31 primary care trust fund pursuant to section 261.86, subsection
 32 6, paragraph "b", or deposited pursuant to subsection 7,
 33 paragraph "b", subparagraph (2), are appropriated and shall be
 34 available to provide loan repayment for physicians who meet
 35 the requirements of subsection 7, paragraph "b". Moneys in

1 the fund up to the total amount that an eligible student may
 2 receive for an eligible loan in accordance with [this section](#)
 3 and upon fulfilling the requirements of [subsection 3](#), shall be
 4 considered encumbered for the duration of the agreement entered
 5 into pursuant to [subsection 3](#). Notwithstanding [section 8.33](#),
 6 any balance in the fund on June 30 of each fiscal year shall not
 7 revert to the general fund of the state, but shall be available
 8 for purposes of [this section](#) in subsequent fiscal years.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
 11 the explanation's substance by the members of the general assembly.

12 This bill expands the rural Iowa primary care loan repayment
 13 program to provide that, subject to the availability of
 14 transferred or deposited funds, a physician licensed in this
 15 state who is a member of the Iowa national guard and is engaged
 16 in full-time practice of medicine and surgery or osteopathic
 17 medicine and surgery in a service commitment area for a period
 18 of five years qualifies for eligible educational loan repayment
 19 of up to \$30,000 annually.

20 If a physician in the Iowa national guard meets the
 21 requirements for loan repayment as provided in the bill,
 22 moneys that were appropriated for purposes of the national
 23 guard educational assistance program that remain unencumbered
 24 or unobligated at the close of the fiscal year shall be
 25 transferred to the rural Iowa primary care trust fund in an
 26 amount necessary to make loan repayments for the physician.

27 The total amount of loan repayment over the five-year period
 28 is limited to not more than \$150,000. "Service commitment
 29 area" is defined for purposes of the program as a city in Iowa
 30 with a population of less than 26,000 that is located more
 31 than 20 miles from a city with a population of 50,000 or more
 32 and which provides a \$20,000 contribution for deposit in the
 33 rural Iowa primary care trust fund for each physician in the
 34 community who is participating in the loan repayment program.
 35 Under the bill, the service commitment area's contribution for

H.F. 784

1 a physician who is a national guard member is \$15,000.